

Message Text

LIMITED OFFICIAL USE

PAGE 01 KINGST 00311 132145Z
ACTION ARA-14

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05
TRSE-00 SS-15 STR-06 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03
LAB-04 SIL-01 PA-01 PRS-01 /086 W
-----010858 140536Z /11
R 132047Z JAN 78
FM AMEMBASSY KINGSTON
TO SECSTATE WASHDC 9215

LIMITED OFFICIAL USE KINGSTON 0311

E.O. 11652: GDS
TAGS: EFIN, ETRD, JM
SUBJECT: JAMAICA TO CONTINUE TIGHT CONTROL OF FOREIGN EXCHANGE
SPENDING IN 1978

1. ACCORDING TO MINISTER OF STATE SENATOR RICHARD FLETCHER, THE GOVERNMENT OF JAMAICA IS TO CONTINUE THE TIGHT MANAGEMENT OF FOREIGN EXCHANGE SPENDING THROUGH 1978. IN A TELEVISION INTERVIEW SHOWN LOCALLY ON JANUARY 8, SENATOR FLETCHER SAID THAT THE GOVERNMENT WILL ALSO CONCENTRATE ON RESTORING A PROPER BALANCE BETWEEN DOMESTIC PRODUCTION AND IMPORTS.

2. HE DECLARED THAT THE AGGRESSIVE EXCHANGE MANAGEMENT POLICY OF 1977 HAD BEEN VERY SUCCESSFUL AND ESTIMATED THAT THE TRADE GAP FOR THAT PERIOD WOULD BE BETWEEN J\$60 AND J\$70 MILLION IN REAL TERMS, REFLECTING A REDUCTION OF 75-80 PERCENT COMPARED TO 1976.

3. SENATOR FLETCHER OBSERVED THAT A DROP IN IMPORTS AND AN UPWARD SWING OF 8-10 PERCENT IN EXPORTS DURING LAST YEAR, WERE MAJOR CONTRIBUTORS TO A TURNAROUND IN THE TRADE SITUATION. IN ORDER TO MAINTAIN THIS TREND, HE CONTINUED, THE NATION WOULD HAVE TO CUT BACK ON ITS CONSUMPTION AND INCREASE ITS PRODUCTION. HE INDICATED THAT 1978 WOULD BE A BETTER YEAR FOR THE ECONOMY, ESPECIALLY IF THE

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KINGST 00311 132145Z

CONSTRUCTION INDUSTRY GOT MOVING ONCE MORE. SENATOR FLETCHER ALSO NOTED THAT UNCERTAINTY OF THE PRIVATE SECTOR WAS EVAPORATING AND THAT EXPORT-ORIENTED PRODUCERS WERE NOW LOOKING TO MOVE FORWARD. HE REFERRED TO THE TASK OF REBUILDING THE ECONOMY AND SAID THAT TO ACHIEVE THIS, THE EXPANSION OF THE PRODUCTIVE SECTOR WAS A MUST FOR THE NEXT TWO TO THREE YEARS.

4. COMMENT: THE DATA BEAR OUT SENATOR FLETCHER'S FINDING OF A SUBSTANTIAL IMPROVEMENT IN THE BALANCE OF PAYMENTS SITUATION IN 1977. THE TRADE GAP HAS NARROWED SUBSTANTIALY AND THE BALANCE OF PAYMENTS DEFICIT WHICH REACHED J\$234 MILLION IN 1976 IS EXPECTED TO BE IN THE RANGE OF J\$60-80 MILLION IN 1977. HOWEVER, THE GROSS DOMESTIC PRODUCT AGAIN DECLINED SUBSTANTIALY IN 1977 (BY AN ESTIMATED 5-7PERCENT) WHILE UNEMPLOYMENT INCREASED FROM 20 (IN 1975) TO 25 PERCENT. WE DO NOT SHARE THE VIEW THAT UNCERTAINTY IS EVAPORATING IN THE PRIVATE SECTOR. AS LONG AS THOSE FACTORS WHICH CONTRIBUTE TO PRIVATE SECTOR UNCERTAINTY PLAY AN IMPORTANT ROLE IN THE JAMAICAN SCENE, E.G., DISTURBING POLITICAL RHETORIC, TIGHT RESTRICTIONS ON IMPORTS AND FOREIGN REMITTANCES, CONTINUATION OF VIOLENCE AND CRIME, UNCERTAINTY IN THE PRIVATE SECTOR IS LIKELY TO CONTINUE TO DAMPEN PRIVATE INVESTMENT AND GROWTH. IRVING

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN EXCHANGE CONTROLS, FOREIGN EXCHANGE
Control Number: n/a
Copy: SINGLE
Draft Date: 13 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978KINGST00311
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: DG ALTERED
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780021-0820
Format: TEL
From: KINGSTON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780166/aaaacdoa.tel
Line Count: 80
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 2427fce3-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3778592
Secure: OPEN
Status: NATIVE
Subject: JAMAICA TO CONTINUE TIGHT CONTROL OF FOREIGN EXCHANGE SPENDING IN 1978
TAGS: EFIN, ETRD, JM
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/2427fce3-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014